

Comments to the FTC:

On September 1, 1969, we began a venture as Independent Business Owners with Amway Corporation. At the time I (Jerry) was in the final stages of my PhD thesis at the University of Texas in Austin, Texas, which I completed a few months later. I obtained a teaching position at UT and began my career. We also began on a part time basis in the business world with Amway. We knew very little about business but we soon realized that, if we were willing to work and persist, we could build a future for ourselves with our business.

I continued to teach and we worked diligently in our business. In 1977, I left my education career and since have continued in the business world. I mention the above just to say that we spent many years building our businesses and hence have a long term perspective. We have 5 children and this business has allowed my wife Sharyn (who also has a degree from The University of Texas) to be a full time mom and it has provided the income for us to pay cash for private schools and colleges. In 1999, we joined as IBOs in the development of Quixtar. We are encouraging our children to make Quixtar a big part of their future.

We do have concerns about the FTC Proposals. We have seen many things during our business career, sometimes from unscrupulous companies and sometimes from unscrupulous people. However, we also know that there are such people in every profession. But while we agree with the idea of protection against deceptive practices, we feel that the current proposal would harm all Quixtar independent business owners, not just those multilevel marketing companies using deceptive practices.

Here are my concerns:

- 1. The seven day waiting period would allow the prospect to lose interest and valuable excitement. We are certainly glad that a seven day waiting period did not exist in 1969 or we would have missed a great opportunity. What if we looked at a new General Motors car but had to wait seven days to buy. And suppose we were given a list of lawsuits and arbitrations (valid or not) against General Motors in the meantime. Car sales would certainly drop drastically and a great company would be hurt unnecessarily. If we were a brand new excited IBO and we had to wait seven days to start registering people, our excitement and also our potential profit would decrease.*
- 2. We also disagree with the idea of giving a new prospective IBO names of existing IBOs in the area. First of all, we may not know anyone in their area, and secondly anyone would only give good references. We feel this would be an invasion of peoples' time and privacy. Our prospective IBOs are encouraged to come to a specific meeting where they can meet others who are already IBOs.*
- 3. In today's world, many companies find themselves accused of unfair practices and many of those accusations are untrue. I am sure there are lawsuits against all major companies CocaCola, General Motors, Apple Computers, etc. Some are true, some are not. To give a prospective IBO a list of all lawsuits, arbitrations, and legal claims over the past 10 years would muddy the water for every IBO, not just the few accused. Most successful Quixtar IBOs are honest, ethical, hard working, good-intentioned people.*
- 4. As for income claims and substantiation thereof, we are able to show from the Quixtar Sales and Marketing plan the possibilities for income. If someone builds a business to a certain specified point, that income can be shown. We do show in every presentation that "The average monthly gross income for "active" IBOs is \$115." Quixtar has always reminded us not to give unsubstantiated income claims. We never give personal income claims, only averages as Quixtar suggests. Disclosing income could be dangerous as well. There have been instances of robbery precipitated by that. We do not feel that the FTC should require us to offer prospects our financial records.*

When we register someone, it costs \$50 (certainly not a huge business investment). Even if someone takes the optional literature and products, the cost is only \$125. Even that has a money back guarantee. We are proud of that guarantee and always refer to it as a point of integrity with Quixtar. We agree with the idea that you want to protect the public from bogus illegal businesses, but do not agree with the current proposal. We feel it harms the honest and straightforward IBO. We feel that the current proposal has the potential to CRIPPLE our business and our income.

Thank you for listening.

*Jerry & Sharyn Webb
Quixtar IBO*